

### **Duchesne Enjoys a Banner Year in 2001**

**July-December** 2001

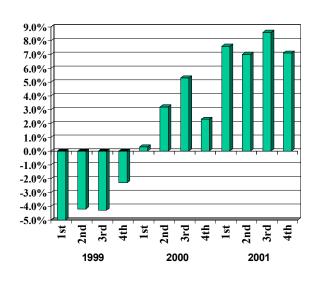
Duchense County has enjoyed robust job growth in 2001. During the last six-months of 2001, its year-over job growth for third quarter increased by 8.6 percent followed by an year-over 7.8 percent increase in the fourth quarter. These rates of increase are substantially above those reported for the state, which barely grew at 0.4 percent year-over in the third quarter of 2001 and lost jobs year-over during the fourth quarter of 2001, decreasing 0.8 percent. Around 380 jobs were added to the county's

economy during the last six-months of 2001 spurred on by a surge in mining employment in the oil and gas industry. The increase in mining jobs has also stimulated growth in many other industries as well.

### **Duchesne County Year-Over** Growth in Nonfarm Jobs

### **Unemployment Rates Remain** Steady

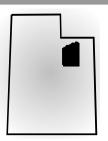
The expansion in employment during 2001 has helped to stabilize the unemployment rate for county residents. While unemployment rates in Duchesne County are traditionally higher than state average, the gap between them as narrowed considerably in 2000 and 2001. In fact, the rates of the last eight quarters have been the lowest in the county in a decade. Third quarter 2001 reported a year-over



Continued on page 3.

### **Economic Newsletter**

**Published August 2002** 



### inside

**Just the Facts ...... 2** Economic Events ..... 6 Indicators ..... 7 **Construction Permits ... 8** 

Current through December 2002

Taxable Sa	les	9
<b>Employers</b>	Corner 1	(



## Just the Facts

	3rd Qu	uarter				
	2001	2000	Change	2001	2000	Change
Unemployment Rate	5.5%	5.7%		6.7%	5.7%	
Nonfarm Jobs	5,206	4,793	8.6%	5,253	4,906	7.1%
Total Construction (000s)	\$4,844.3	\$6,413.5	-24.5%	\$2,578.4	\$1,726.7	49.3%
New Dwelling Unit Permits	43	49	-12.2%	41	31	32.3%
Taxable Sales (000s)	\$40,975.3	\$37,877.1	8.2%	\$39,845.0	\$42,538.7	-6.3%



### Summary

- Strong growth continued in Duchesne County during the last six-months of 2001 as nonfarm jobs increased by 8.6 percent in the third quarter and 7.1 percent in the fourth quarter.
- Duchesne County's unemployment rate has been stable for eight consecutive quarters, hovering around 6.5 percent.
- Oil and gas employment rose during the second half of 2001, adding 150 jobs.
- Serviced added 120 jobs, mostly in health care, social, and machinery repair services.
- Trucking and communications positions also rose.
- Retail trade suffered job losses at general merchandise stores and eating and drinking establishments.
- Construction jobs tailed off in the fourth quarter of 2001.
- Gross taxable sales rose in in the third quarter of 2001, but sunk in the fourth quarter as mining, construction, manufacturing, and retail sales declined.

unemployment rate of 5.5 percent, while fourth quarter 2001 year-over showed an unemployment rate of 6.7 percent. Approximately 375 persons in the county were unemployed during the latter half of 2001.

#### **Goods-Producing Industries Surge Ahead**

The goods-producing industries of mining, construction, and manufacturing showed solid growth during the second half of 2001. Leading the charge was a vigorous upswing in mining jobs related to oil and gas production and exploration. Mining jobs, year-over, rose 26.6 percent by adding 150 jobs. This industry's future health is reliant on the price of oil and gas. Since the price for these commodities has begun to decline, the mining industry will begin to see a slowing as well. Construction jobs in the last six-months of 2001 rose by 6.6 percent year-over, thanks to heavy construction projects on bridges, dams, and roads. Construction jobs year-over rose in the third quarter of 2001, but fell in the fourth quarter. Manufacturing jobs increase as well during the latter half of 2001. Jobs increased for industrial machinery and concrete products manufacturing.

#### **More Good News**

The surge in goods-producing industry employment in Duchesne County was augmented by a growing service-producing industry jobs. The higher paying jobs in the goods-producing industries lifted income in the county. An increase in the supply of disposable dollars helped spur growth in nearly every service-producing industry during the latter half of 2001. The most impressive gains were in services, which added nearly 120 year-over jobs, an increase of 17.2 percent.

Services jobs increased for health care, social services, and engineering and management firms. Transportation, communications, and utilities employment rose 17.5 percent, an increase of 80 positions. Trucking and communications account for most of the gains. Government jobs rose 1.7 percent. State and federal government jobs showed scant growth. Most of the growth was in local government for social, health, and recreation services. Finance, insurance, and real estate add jobs in banking and real estate management and services as well.

Only the trade sector showed a contraction in employment during the last six-months of 2001. Wholesale and retail trade both lost jobs. Most of the jobs losses were at eating and drinking establishments, general merchandise, and home furnishing stores. Overall, year-over trade jobs decreased 3.2 percent.

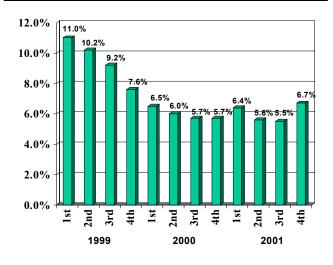
#### **Construction Slows**

The valuation of year-over permit-authorized construction fell 8.8 percent for the last six-months of 2001 to \$7.4 million. Results of construction activity were mixed as residential building grew while nonresidential valuations tumbled. The number of new dwelling units increase from 80 in the last half of 2000 to 84 in the last six-months of 2001. Residential valuation rose from \$3.9 million in 2000 to \$4.96 million in 2001. A jump in single-family home construction provided a boost to residential building activity. The permit valuation of nonresidential construction was nearly cut in half from \$4.0 million in the last half of 2000 to \$2.1 million in 2000. Additions, alterations, and repairs to residential structures increased, while renovations to nonresidential buildings declined.

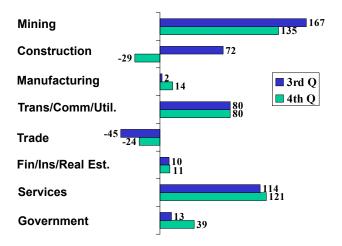
#### Sales Stall

Gross taxable sales eked out a scant increase in the last six-months of 2001 when compared to the same time period in 2000. Gross taxable sales rose 0.5 percent from

### Duchesne County Unemployment Rates



### Duchesne County Nonfarm Job Growth: 2000-2001

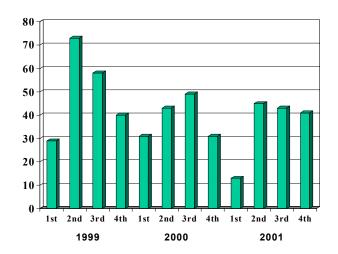


\$80.4 million in 2000 to \$80.8 million in 2001. Retail trade sales, which account for over 50 percent of total sales, fell a slight 0.7 percent as foods and furniture stores suffered declines. Wholesale trade sales increased. Service sales increased 12.9 percent as lodging, business, repairs, and recreation services showed increased sales. Perhaps more ominous was the decline in sales for mining, construction, manufacturing, and communications, each of which saw sharp declines. Sales slumped due to decreased activity or due to lower commodity prices. Electric and gas sales expanded during the latter half of 2001 compared to the last half of 2001.

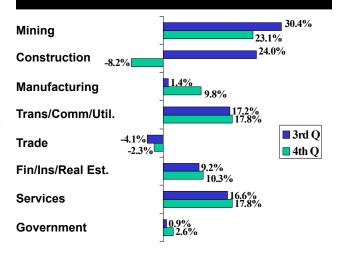
#### Will the Good Times Continue?

It is difficult for any economy to sustain the robust rates of growth that have occurred in Duchesne County in 2001, particularly in light of the decline in oil and gas prices. Thought the rates are moderating around \$25-\$27 per barrel for oil and less than \$3.00 per Mcf for natural gas. While these levels will sustain profitability, they are in the range that should see more moderate levels of growth. The effects of the national recession will also touch the Uintah Basin. Manufacturing employment will be hard pressed to increase and nonresidential construction activity will remain sluggish, while residential building will continue benefit from low interest rates. Even though Duchesne County is like to see the rate of growth moderate the fundamentals are in place for it to continue to grow. How much it will slow is dependent on what the price of oil and gas do in the future.

### Duchesne County Residential Construction Approvals

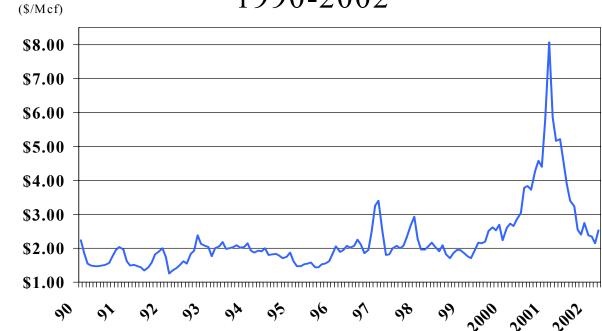


### Duchesne County Nonfarm Job Growth: 2000-2001



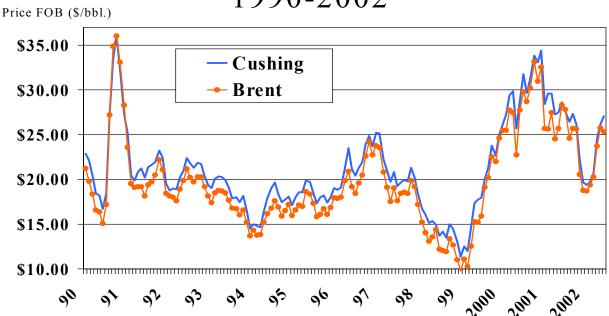
Austin Sargent Regional Economist 801/526-9464 asargent@utah.gov

## Natural Gas Well Head Price 1990-2002



Source: U.S. Department of Energy

## Spot Oil Prices, Per Barrel 1990-2002



Source: U.S. Department of Energy

## Economic Events

The Hanna Valley's \$4.6 million culinary water system should be completed in November of 2002. The water is needed to meet growth demands. The project is divided into three parts: \$1.6 million for 23 miles of distribution lines; \$400,000 for a 650,000-gallon storage tank and \$390,000 for two well houses. The final \$2.0 million will be for water connections.

(Deseret News, 7/9/2002)

Work will begin in Fall 2002 on the \$3.2 million road improvement project in Arcadia. The project will result in improvements to the 2.4-mile stretch of connector road south on Arcadia Road to Highway 87 near Upalco. Construction is expected to take about a year to complete.

(*Uintah Basin Standard*, 5/24/2002)

Roosevelt City's \$2.2 million water project is up and running. The new well in Neola is designed to help meet future growth in the city, but will initially serve as a backup water source.

(*Salt Lake Tribune*, 5/25/2002)

The United States Department of Agriculture will provide Roosevelt City with \$212,000 in funds to upgrade and install a sewer line expansion on the city's west side.

(Deseret News, 4/27/2002)

Construction is underway on the \$3.5 million expansion to Duchesne High School. Phase one includes offices, gymnasium, locker rooms, and a media center. Phase two will provide a commons area, concessions kitchen, and vocational shops.

(*Salt Lake Tribune*, *3/25/2002*)

Expansion of the Sandwash Reservoir from 12,000 acre-feet of water to 24,000 acre-feet has been approved. The project will begin in 2003 and take up to two years to complete. It will include new pipelines for culinary, irrigation and industrial water. The federal government will cover 65 percent of the \$48 million cost. The Central Utah Water Conservancy District will cover the remaining costs.

(Salt Lake Tribune, 2/11/2002; Uintah Basin Standard, 1/25/2002)

With the completion of the \$9.1 million phase one of the rehabilitation project to reduce salt flows in the Colorado River, work is ready to begin on the \$15.6 million second phase. The second phase will eliminate 53 miles of open canals and replace them with lined pipe.

(*Uintah Basin Standard*, 2/1/2002)

### LABOR MARKET INDICATORS

### **Duchesne County**

	Thir	rd Quarte	er (July-Se	ept)	Fourth Quarter (Oct-Dec)				6-month Averages			
	2001(p)	2000		Numeric Change	2001(p)	2000	Percent Change	Numeric Change	2001(p)	2000	Percent Change	Numeric Change
Civilian Labor Force(1)	6,055	5,705	6.1	350	6,228	5,693	9.4	535	6,142	5,699	7.8	443
Employed	5,721	5,380	6.3	341	5,807	5,370	8.1	437	5,764	5,375	7.2	389
Unemployed	334	325	2.8	9	420	323	30.0	97	377	324	16.4	53
Percent of Labor force	5.5	5.7			6.7	5.7			6.1	5.7		
Total Nonagricultural Jobs(2)	5,206	4,793	8.6	413	5,253	4,906	7.1	347	5,230	4,850	7.8	380
Goods Production	1,231	990	24.3	241	1,202	1,082	11.1	120	1,217	1,036	17.4	181
Mining	717	550	30.4	167	719	584	23.1	135	718	567	26.6	151
Contract Construction	372	300	24.0	72	326	355	-8.2	-29	349	328	6.6	22
Manufacturing	142	140	1.4	2	157	143	9.8	14	150	142	5.7	8
Service Production	3,975	3,803	4.5	172	4,051	3,824	5.9	227	4,013	3,814	5.2	200
Trans., Comm., Pub. Util.	545	465	17.2	80	530	450	17.8	80	538	458	17.5	80
Trade	1,041	1,086	-4.1	-45	1,041	1,065	-2.3	-24	1,041	1,076	-3.2	-35
Wholesale	184	183	0.5	1	176	195	-9.7	-19	180	189	-4.8	-9
Retail	857	903	-5.1	-46	865	870	-0.6	-5	861	887	-2.9	-26
Fin., Ins., & Real Estate	119	109	9.2	10	118	107	10.3	11	119	108	9.7	11
Services	802	688	16.6	114	799	678	17.8	121	801	683	17.2	118
Government	1,468	1,455	0.9	13	1,563	1,524	2.6	39	1,516	1,490	1.7	26
Federal	112	107	4.7	5	84	83	1.2	1	98	95	3.2	3
State	110	109	0.9	1	111	109	1.8	2	111	109	1.4	2
Local	1,246	1,239	0.6	7	1,368	1,332	2.7	36	1,307	1,286	1.7	22
Total Covered Employment(3) Covered Agricultural Employment	<b>5,234</b> 28	<b>4,795</b> 2	<b>9.2</b> 1300.0	<b>439</b> 26	<b>5,270</b>	<b>4,915</b> 9	<b>7.2</b> 88.9	<b>355</b> 8	<b>5,252</b> 23	<b>4,855</b> 6	<b>8.2</b> 309.1	<b>397</b> 17

<sup>(1)</sup> Seasonally Adjusted.

Source: Utah Dept of Workforce Services.

Detail may not add to total due to rounding.

<sup>(3)</sup> Employment covered by Unemployment Insurance laws.

p = Preliminary; Detail may not add to total due to rounding.

## Duchesne County Permit-Authorized Construction

	Third Quarter (July-Sept)			Fourth (	Quarter (Oc	ct-Dec)	6-month Totals		
•	Percent				Percent	Percent			
	2000	2001	Change	2000	2001	Change	2000	2001	Change
Duchesne County									
New Dwelling Units Single-Family	49 19	43 19	-12.2% 0.0%	31 8	41 22	32.3% 175.0%	80 27	84 41	5.0% 51.9%
Multifamily	0	0		0	0		0	0	
Mobile/Maufactured/Cabins	10	24	140.0%	43	19	-55.8%	53	43	-18.9%
New Residential (\$000)	2,500.5	2,785.4	11.4%	1,426.7	2,174.1	52.4%	3,927.2	4,959.5	26.3%
New Nonresidential(\$000)	3,821.8	1,722.1	-54.9%	213.3	363.3	70.3%	4,035.1	2,085.4	-48.3%
Additions/Alterations/Repairs	91.2	336.8	269.3%	86.7	41.0	-52.7%	177.9	377.8	112.4%
Residential (\$000)	76.2	322.8	323.6%	53.6	41.0	-23.5%	129.8	363.8	180.3%
Nonresidential (\$000)	15.0	14.0	-6.7%	33.1	0.0	-100.0%	48.1	14.0	-70.9%
Total (\$000)	6,413.5	4,844.3	-24.5%	1,726.7	2,578.4	49.3%	8,140.2	7,422.7	-8.8%
Duchesne									
New Dwelling Units	17	2	-88.2%	1	3	200.0%	18	5	-72.2%
Single-Family	7	0	-100.0%	0	0		7	0	-100.0%
Multifamily	0	0		0	0	200.00/	0	0	5.4.50/
Mobile/Maufactured/Cabins	10	2	-80.0%	1	3	200.0%	11	5	-54.5%
New Residential (\$000)	857.5	62.4	-92.7%	26.5	97.6	268.3%	884.0	160.0	-81.9%
New Nonresidential(\$000)	40.3	2.1	-94.8%	2.3	113.8	4847.8%	42.6	115.9	172.1%
Additions/Alterations/Repairs	45.2	51.6	14.2%	33.6	34.0	1.2%	78.8	85.6	8.6%
Residential (\$000)	45.2	51.6	14.2%	4.0	34.0	750.0%	49.2	85.6	74.0%
Nonresidential (\$000)	0.0	0.0		29.6	0.0	-100.0%	29.6	0.0	-100.0%
Total (\$000)	943.0	116.1	-87.7%	62.4	245.4	293.3%	1,005.4	361.5	-64.0%
Roosevelt									
New Dwelling Units	4	2	-50.0%	1	2	100.0%	5	4	-20.0%
Single-Family	3	2	-33.3%	1	1	0.0%	4	3	-25.0%
Multifamily Makila/Manfaatunad/Cakina	0 1	0	-100.0%	0	0 1		$0 \\ 1$	$0 \\ 1$	0.0%
Mobile/Maufactured/Cabins	-					122.3%			
New Residential (\$000)	413.0	450.0	9.0%	75.0	166.7		488.0	616.7	26.4%
New Nonresidential(\$000)	3,662.7	1,000.0	-72.7%	150.0	0.0	-100.0%	3,812.7	1,000.0	-73.8%
Additions/Alterations/Repairs	13.0	14.0	7.7%	4.0	0.0	-100.0%	17.0	14.0	-17.6%
Residential (\$000)	13.0	0.0	-100.0%	4.0	0.0	-100.0%	17.0	0.0	-100.0%
Nonresidential (\$000)  Total (\$000)	0.0 <b>4,088.</b> 7	14.0 <b>1,464.0</b>	-64.2%	0.0 <b>229.0</b>	0.0 <b>166.7</b>	 -27.2%	0.0 <b>4,317.7</b>	14.0 <b>1,630.</b> 7	-62.2%
Other Duchesne County	.,	2,10110	***-**			,	1,02.11	-,	
New Dwelling Units	20	39	39.3%	29	26	24.1%	57	75	21 (0/
Single-Family	28 9	39 17	39.3% 88.9%	29 7	36 21	24.1%	57 16	75 38	31.6% <i>137.5%</i>
Multifamily	0	0	00.9%	0	0	200.0%	0	0	137.370
Mobile/Maufactured/Cabins	19	22	15.8%	22	15	-31.8%	41	37	-9.8%
New Residential (\$000)	1,230.0	2,273.0	84.8%	1,325.2	1,909.8	44.1%	2,555.2	4,182.8	63.7%
` '	*	-		,	· ·				
New Nonresidential(\$000)	118.8	720.0	506.1%	61.0	249.5	309.0%	179.8	969.5	439.2%
Additions/Alterations/Repairs	33.0	271.2	721.8%	49.1	7.0	-85.7%	82.1	278.2	238.9%
Residential (\$000)	18.0 15.0	271.2 0.0	1406.7% -100.0%	45.6 3.5	7.0 0.0	-84.6% -100.0%	63.6 18.5	278.2 0.0	337.4% -100.0%
Nonresidential (\$000)									
Total (\$000)	1,381.8	3,264.2	136.2%	1,435.3	2,166.3	50.9%	2,817.1	5,430.5	92.8%

Source: Bureau of Economic and Business Research, University of Utah.

### duchesne County

#### Gross Taxable Retail Sales

	3rd Quarter (July - Sept)			4th Qu	arter (Oct - Dec)		6-month Total			
Standard Industrial Classification	2000	2001	% Chng	2000	2001	% Chng	2000	2001	% Chng	
Agriculture, Forestry & Fishing	\$56,589			\$126,604	\$114,409	-9.6	\$183,193	\$114,409	-37.5	
Mining	1,568,549	1,803,879	15.0	2,448,306	1,066,508	-56.4	4,016,855	2,870,387	-28.5	
Construction	695,383	645,747	-7.1	886,023	622,384	-29.8	1,581,406	1,268,131	-19.8	
Manufacturing	968,984	1,086,818	12.2	1,758,367	1,225,929	-30.3	2,727,351	2,312,747	-15.2	
Transportation	42,178	34,397	-18.4	35,751	· · ·		77,929	34,397	-55.9	
Communications	3,113,563	1,165,877	-62.6	3,210,032	3,322,472	3.5	6,323,595	4,488,349	-29.0	
Electric & Gas	2,006,437	2,215,938	10.4	1,770,237	2,143,312	21.1	3,776,674	4,359,250	15.4	
Total Wholesale Trade Sales	3,844,234	6,839,285	77.9	5,494,686	5,093,525	-7.3	9,338,920	11,932,810	27.8	
Durable Goods	2,455,845	4,593,655	87.0	4,051,412	2,902,009	-28.4	6,507,257	7,495,664	15.2	
Nondurable Goods	1,388,389	2,245,630	61.7	1,443,274	2,191,516	51.8	2,831,663	4,437,146	56.7	
Total Retail Trade Sales	19,917,052	20,657,682	3.7	21,648,837	20,628,587	-4.7	41,565,889	41,286,269	-0.7	
Building and Garden Stores	1,108,454	1,433,090	29.3	1,105,419	1,230,819	11.3	2,213,873	2,663,909	20.3	
General Merchandise Stores	1,158,108	1,126,412	-2.7	1,389,905	1,464,338	5.4	2,548,013	2,590,750	1.7	
Food Stores	7,750,745	7,471,916	-3.6	6,576,729	6,755,271	2.7	14,327,474	14,227,187	-0.7	
Motor Vehicle Dealers	6,057,390	6,729,598	11.1	6,768,438	7,062,556	4.3	12,825,828	13,792,154	7.5	
Apparel & Accessory Stores	22,646	21,512	-5.0	21,433	52,626	145.5	44,079	74,138	68.2	
Furniture Stores	543,195	504,874	-7.1	838,714	540,531	-35.6	1,381,909	1,045,405	-24.4	
Eating & Drinking	1,048,675	1,158,204	10.4	1,018,596	1,044,730	2.6	2,067,271	2,202,934	6.6	
Miscellaneous	2,227,839	2,212,076	-0.7	3,929,603	2,477,716	-36.9	6,157,442	4,689,792	-23.8	
Finance, Insurance, Real Estate	280,139	196,302	-29.9	286,092	169,986	-40.6	566,231	366,288	-35.3	
Total Service Sales	4,017,303	4,754,136	18.3	3,829,532	4,101,829	7.1	7,846,835	8,855,965	12.9	
Hotels & Lodging	826,469	944,038	14.2	653,429	674,224	3.2	1,479,898	1,618,262	9.3	
Personal	132,647	142,685	7.6	164,546	126,865	-22.9	297,193	269,550	-9.3	
Business	1,119,619	1,289,964	15.2	1,032,107	987,822	-4.3	2,151,726	2,277,786	5.9	
Auto & Misc. Repair	1,405,244	1,532,884	9.1	1,441,755	1,637,331	13.6	2,846,999	3,170,215	11.4	
Amusement & Recreation	252,461	297,860	18.0	217,385	221,503	1.9	469,846	519,363	10.5	
Health	103,643	100,145	-3.4	129,668	116,248	-10.3	233,311	216,393	-7.3	
Education, Legal, Social	177,220	446,560	152.0	190,642	337,836	77.2	367,862	784,396	113.2	
Public Administration	45,713	73,528	60.8	31,582	8,997	-71.5	77,295	82,525	6.8	
Private Motor Vehicle Sales	1,293,015	1,438,104	11.2	917,163	1,308,107	42.6	2,210,178	2,746,211	24.3	
Occasional Retail Sales	27,927	47,437	69.9	95,490	34,567	-63.8	123,417	82,004	-33.6	
Nondisclosable or Nonclassifiable	-	16,188		-	4,403		-	20,591		
Total (Current Period)	37,877,066	40,975,318	8.2	42,538,702	39,845,015	-6.3	80,415,768	80,820,333	0.5	
Prior Period Payments/Adjust/Refunds	91,392	526,701	476.3	326,889	410,363	25.5	418,281	937,064	124.0	
Total	\$37,968,458	\$41,502,019	9.3	\$42,865,591	\$40,255,378	-6.1	\$80,834,049	\$81,757,397	1.1	

Source: Utah State Tax Commission.

# Employers' Corner





Smart business people know where to find the latest, most accurate information available about economic trends, the labor market, cost of living and industry trends. There's county-level economic information too, and it's all FREE on the DWS Economic Information Web site: <a href="http://wi.dws.state.ut.us/">http://wi.dws.state.ut.us/</a>.

### State of Utah

DEPARTMENT OF WORKFORCE SERVICES

140 East 300 South PO Box 45249 Salt Lake City, UT 84111

ADDRESS SERVICE REQUESTED

03-13EDU-0802

Equal Opportunity Employment Program auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128.







The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.

To read, download, or print this publication, see our internet site: http://jobs.utah.gov/wi, then click on "State, County and Local Information," select the county, and click on the first newsletter under "Publications." To obtain additional printed copies or subscribe to this newsletter, contact us at the address listed above "Attn: Workforce Information" or 801/526-9786, jkramer@utah.gov

We welcome your comments, questions and feedback!